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CollPlant in Advanced Negotiations for US Private Placement of USD 5.0 million; Agreement Includes Plan for NASDAQ Uplisting

Main Company shareholders announce intent to make a follow-up investment subsequent to signing the US private placement

NESS ZIONA, Israel, September 5, 2017 /PRNewswire/ --

CollPlant (TASE: CLPT) - a regenerative medicine company utilizing its proprietary plant-based rhCollagen technology for tissue repair products (recombinant human, "rhCollagen"), announce that management is in advanced negotiations with a US investor for a USD 5.0 million private placement. A non-binding term sheet was signed between the parties in July 2017.

Yehiel Tal, CEO of CollPlant: "The planned US investment is intended to further ensure implementation of the Company's stated strategy, including advancing our work in 3D printing for tissues and organs, the continued commercialization of our products throughout Europe, development of our pipeline products, and upgrading of our manufacturing capabilities. Additionally, we plan to up-list and register the Company's ADSs for trading on NASDAQ in order to expand our investor base outside of Israel, increase the Company's trading volume, and enhance public exposure for the Company.".

The proposed private placement will take place in three tranches. The first will include a payment of USD 2.0 million, which will be transferred to the Company shortly after signature of the transaction agreements. The second tranche will include a payment of an additional USD 2.0 million, which will be transferred to the Company shortly after approval of the transaction by a general meeting of the Company's shareholders, which will be convened shortly after signature of the transaction agreements. The third tranche will entail a payment of USD 1.0 million, which will be transferred to the Company shortly after the up-listing to NASDAQ.

In return, the Company will issue the investor ordinary shares in a restricted private placement and will issue a convertible bond as detailed below. The shares to be allocated upon completion of the first tranche will represent, upon issue, up to 9.99% of the Company's issued and paid up share capital immediately following the issue. The price per share will be calculated at a company valuation of NIS 50 million (pre-money value), including for shares that will be allocated as a result of conversion of the bond.

For the balance of the proceeds the Company will issue the investor a convertible, non-interest bearing bond, with the bond being automatically converted (subject to fulfillment of several technical terms) to pre-funded warrants when the ADSs are registered for trading on NASDAQ. The bond can be converted by the investor at any time.

Similarly, upon completion of registration on NASDAQ, the Company will issue the investor warrants that can be exercised for a period of five years from the date of issuance, at an exercise price of 200% of the share price in the transaction (for each warrant). The warrants will be subject to regular adjustments.

Under terms of the proposed transaction, the investor will assist the Company in its registration on NASDAQ, and in return, the Company will allocate the investor (upon completion of the first and second tranches) equity securities representing 5% of the Company's issued share capital, as it was immediately prior to completion of the first tranche. The investor will be entitled to receive registration rights on NASDAQ for the ordinary shares (or ADSs) that it will hold.CollPlant also noted today that several main shareholders have announced their intent to make a significant investment in the Company, subsequent to closing of to the US private placement.

CollPlant has begun penetrating the European market with two products based on the Company's unique rhCollagen technology, which is produced from the tobacco plant. The first is Vergenix™STR, for the treatment of tendinopathy. Arthrex GmbH, a leading multinational company in the orthopedic market with a leading reputation and experienced sales network, is the exclusive distributor for the product in Europe, the Middle East, India and Africa. Sales of Vergenix®FG, an injectable gel compound, indicated for the treatment of chronic wounds and operating room incisions -- including diabetic ulcers -- are also underway in several European countries through local distributors.

About CollPlant

CollPlant is a regenerative medicine company leveraging its proprietary, plant-based recombinant human collagen (rhCollagen) technology for the development and commercialization of tissue repair products, initially for the orthobiologics, 3D Bio-printing of tissue and organs, and advanced wound care markets. The Company's cutting-edge technology is designed to generate and process proprietary rhCollagen, among other patent-protected recombinant proteins. Given that CollPlant's rhCollagen is identical to the type I collagen produced by the human body, it offers significant advantages compared to currently marketed tissue-derived collagen, including improved biofunctionality, superior homogeneity and reduced risk of immune response. The Company's broad development pipeline includes biomaterials indicated for orthopedics and advanced wound healing. Lead products include: Vergenix®STR (Soft Tissue Repair Matrix), for the treatment of tendinopathy; and Vergenix®FG (Flowable Gel) wound filler, for treatment of acute and chronic wounds. CollPlant's business strategy includes proprietary development and manufacture of tissue repair products and their commercialization and distribution, together with leading third parties, alongside alliances with leading companies for joint development, manufacture and marketing of additional products.

For more information about CollPlant, visithttp://www.collplant.com

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